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Attorneys for Creditor Mercedes-Benz U.S. International, Inc.

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

In re

Chapter 11

DELPHI CORPORATION et al.,

Case No. 05-44481 (RDD)

Debtors.

(Jointly Administered)

NOTICE OF FILING OF THE AFFIDAVIT OF JOACHIM HOFMANN IN SUPPORT OF LIMITED OBJECTION TO THE DEBTORS' MOTION FOR DIP FINANCING FILED BY MERCEDES-BENZ U.S. INTERNATIONAL, INC.

COMES NOW, Mercedes-Benz U.S. International, Inc. ("MBUSI"), and gives notice of the filing of the attached Affidavit of Joachim Hofmann in support of MBUSI's Limited Objection to the Debtors' Motion for DIP Financing.

Dated: Birmingham, Alabama October 20, 2005

BURR & FORMAN LLP

By:/s/ Michael Leo Hall
Michael Leo Hall (pro hac vice motion pending)
Shannon E. Hoff (pro hac vice motion pending)

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Birmingham, Alabama 35203 (205) 251-3000

Attorneys for Creditor Mercedes-Benz U.S. International, Inc.

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CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing document by Notice of Electronic Filing and by fax or email on the below listed parties before 4:00 p.m. Eastern on this the 20th day of October, 2005:

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Office of the United States Trustee for the Southern District of New York Attn: Alicia M. Leonhard, Esq. 33 Whitehall Street New York, NY 10004 fax: (212) 668-2255

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/s/ Michael Leo Hall OF COUNSEL

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STATE OF ALABAMA)
)
COUNTY OF TUSCALOOSA)

Before me, this undersigned authority, personally appeared Joachim Hofmann, who, known to me and being by me duly sworn, deposes and says as follows:

- 1. I am Joachim Hofmann, the Assistant Manager of Product Controlling for Mercedes-Benz U.S. International, Inc. ("MBUSI"). I make this affidavit in support of MBUSI's Limited Objection to the Debtors' DIP Financing Motion.
- 2. I am one of the persons who has custody and control of MBUSI's business records concerning its business dealings with Delphi and certain of its subsidiaries. These records were

made at or near the time of the event recorded by a person with knowledge of the event and charged with the responsibility for recording such events. These records are kept in the ordinary course of MBUSI's regularly conducted business activity which is MBUSI's customary practice. All facts set forth herein are either: (a) facts of which I have personal knowledge; or (b) an accurate summary of MBUSI's business records as set forth above.

- 3. MBUSI is an Alabama Corporation, having its principal office and place of business at 1 Mercedes Drive, Vance, Alabama 35490 (the "Vance Plant"). MBUSI is a wholly owned subsidiary of DaimlerChrysler North America Holding, which is a wholly owned subsidiary of DaimlerChrysler AG and is an original equipment manufacturer ("OEM") customer of the Debtors. MBUSI purchases approximately three hundred million dollars worth of automotive systems, components, and/or parts from Delphi and its subsidiaries each year.
- 4. MBUSI owes the Debtors a certain amount of money for the manufacture and delivery of parts for the Vance Plant. Some of these monies are due after October 8, 2005 (the "Petition Date").
- 5. Delphi, and/or certain of its subsidiaries, however, are responsible for a certain amount of monetary damages that are owed MBUSI. Some of these damages arise from the same contracts on which MBUSI owes the Debtors typical accounts payable.
- 6. A large component of MBUSI's damage claims arise from the Debtors' failure to ship parts on Friday, October 7, 2005. As a result, MBUSI was forced to shut down its lines at the Vance Plant. MBUSI is still in the process of computing damages related to this shut down; however, I anticipate that the damages will be significant.

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7. In addition, it is customary for MBUSI to have other setoff claims such as for warranties resulting from the supply of defective parts. The quantification of any such potential

charges with respect to Delphi and/or any of its subsidiaries could take months.

8. If there were no bankruptcy, once any monetary damages were calculated,

MBUSI would debit the damage amounts from the supplier's account.

9. I am not an attorney, but I am told that there is a difference between set-off and

recoupment. However, for the purposes of this Affidavit, I am using "setoff" broadly as to cover

both set-off and recoupment.

FURTHER THE AFFIANT SAITH NOT.

Sworn to and subscribed before me this the 2014day of October 2005.

My Commission Expires: 2/18/09